

THE RELATIONSHIP BETWEEN
NEOLIBERALISM AND AUTHORITARIAN
STATES:
THE CASE OF TURKEY

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INTRODUCTION

Beginning from 1970s, significant transformations have taken place both in the developed countries of the West and the underdeveloped countries. With the change in the global economic conditions through the oil crisis, transnationalization of capital, increasing global competition, etc., the neoliberal ideology, which had been advocated since 1930s, became popular in the context of the late 1970s. However, neoliberalism has certainly not only been dominant at the ideological level, but they were also applied as policies. Keynesianism, with its emphasis on state intervention and the social protections of the welfare state, was abandoned in the First World as a result of neoliberal policies. In a very similar way, the development paradigm for Third World countries which was dominant during 1950s and 1960s came to an end with the introduction of neoliberalism in these countries through the adoption of structural adjustment programs which were imposed by IMF and the World Bank. Neoliberalism seemed to be advocating a declining role for governments, and also supported decreasing social expenditures, and a commitment to free market, private property and individual incentives. These have also been the fundamental principles of structural adjustment programs.

By both its advocates and critics, neoliberalism has been linked to minimal government intervention and regulation. However, I think, without making a distinction between types of intervention, it will be too simplistic and not accurate to connect neoliberalism to 'small state'. As Bob Jessop argues, neoliberalism, as a political project aims to roll-back forms of state intervention which are related to 'Keynesian welfare national state' or developmental state or socialist plan state, but it also aims to enhance state intervention to

‘roll-forward’ new forms of governance that are more appropriate for a market-driven globalizing economy (Jessop, 2002, p.454). Jessop continues to argue that the economic, social and political actions taken in line with the neoliberal project usually involves an increase in intervention. In parallel with Jessop’s arguments, in this paper, I will argue that although the application of neoliberal project means a decrease in provision of social services by the state, it also leads to increasing state intervention for applying neoliberal economic policies and also for repressing the resistance against these policies especially during the first implication of neoliberal project. Here, as a case which supports my argument, I will try to show how in Turkish case neoliberal project could be applied after the establishment of a ‘strong government’ through a military intervention.

NEOLIBERALISM AND STATE

We can consider different claims of neoliberalism about state and produce counter-arguments against these claims. For example, neoliberal claim that for economic growth, leaving the market to its own dynamics, is crucial. However, there are various counter-theses against this argument. MacEwan supports the point that for achieving successful economic growth, widespread regulation of foreign commerce by the government has been vital. He demonstrates how, in the British context, manufacturing was secured from import competition through regulations such as tariffs. According to him, British industry could develop in a protected home market until getting strong enough to demand free entry into other people’s markets (MacEwan, 1999, p.36). He also states that tariff protection has also been central in the emergence of US industry. The textile industry, which has been essential for the country’s development, was protected by the limits on

international shipping. Later, tariffs were also established for textile. These protections have been the key to the success of American textiles. MacEwan claims that for the countries which could develop at later historical periods, state had even more extensive roles in regulating foreign commerce. Japan's development is an example to widespread regulation. He states that during the period after the Second World War, the Japanese government rejected free trade and extensive foreign investment, and instead promoted its national firms (MacEwan, 1999, p.38). And lastly, in the cases of South Korea and Taiwan, contrary to the arguments of neoliberals, states played extensive roles in the development of these countries. South Korean state protected domestic markets, favoring Korean owned firms. State-owned industries have been influential in developing national production in some strategic sectors. Therefore, MacEwan concludes that there is no basis for the neoliberal claim that free trade has been the foundation, both historically and in the current era, of successful economic growth (ibid., p.42). Manor states that because of their hostility towards state intervention, neoliberals often failed to see the mutually supportive relations between the states and the markets in the cases of China, Taiwan, South Korea, Japan, much of Europe and Scandinavia. The neoliberals are so unsympathetic about the state that they cannot see its creative potential (Manor, 1991, p.312). Rodrik also shows in his research that there is a positive correlation between an economy's exposure to international trade and the size of its government, and he shows that government expenditures are used to provide social insurance against external risks. (Rodrik, 1998, p.997)

Kiely states that during 1990s, World Bank revised its position about the role of the state in the development process. World Bank, in its report 'The East Asian Miracle' accepted that some government intervention has taken place in these countries and this intervention has been influential in their success. The older argument about the success of these countries was that "...East Asian success was due to a low level of price distortion in the economy- in other words, high growth was a result of getting prices right." (Kiely, 1998, p.3). Therefore, there has been a change of stance for the World Bank as the role of government in the development of East Asian countries was acknowledged. However, still, government interventions in these countries are claimed to be market friendly, as opposed to market distorting, interventions. The governments guarantee adequate investments in people, establish a competitive environment for private enterprises, open the economy to international trade and sustain macroeconomic stability. Therefore, the new view recognized the reality of state intervention, but argued that it does not significantly change the policy of industrial development through market forces. According to Kiely, state intervention in neither South Korea nor Taiwan was market friendly and this demonstrates the World Bank's refusal 'to make a bold move away from the neoliberal paradigm'. There is "...a continued reluctance to recognize the key role of the state in capitalist development, dismissing intervention as significant or irrelevant and reducing governance to purely technical questions of policy-making..." (ibid., p.10).

Another neoliberal claim about state is that neoliberal policies applied in the form of structural adjustment programs create more democratic environments and good governance because these programs call for smaller and less authoritarian states.

However, application of the policies brought by these programs requires a strong internal security and in many cases, political repression. As Toye argues, authoritarian regimes have been better adjusters compared to the democratic regimes (Toye, 1992, p.113). Beckman also claims that structural adjustment programs (SAPs) breed repression, stating that adjusting states lack the political capacity to implement SAP in the face of heavy opposition without using repression (Beckman, 1992, p.94). In many countries, these programs could be implemented by authoritarian states and military. The riots and popular uprisings against structural adjustment were harshly repressed. Therefore, it is hard to support the argument that these programs bring democracy to the underdeveloped countries. According to Mustapha, the argument that structural adjustment leads to increased democratization is 'based on abstract logical deductions, unrelated to reality' (Mustapha, 1992, p.216). On the contrary, they are usually put into practice in undemocratic environments and also foster repression and undemocratic practices once they are applied. As Bangura states, the economic reforms within the context of structural adjustment programs that were applied in many African countries would be very hard to implement in a democratic environment (Bangura, 1992, p.79).

The application of neoliberalism through coercion was also relevant for Latin American countries. The neoliberal model was imposed for the first time in Chile with the Pinochet military coup of 1973. Three years later, in 1976, the same plan was implemented in Argentina. The operation was made possible through the dictatorship of General Jorge Videla and his economy minister. The US had decided to support the coup on the condition that he will become the minister. In these two cases indiscriminate repression in

Chile and Argentina served the purpose of imposing a neoliberal economic plan based on the theories of Chicago School (Rosenzvaig, 1997, p.60). Here, I will try to demonstrate that similar to Chilean and Argentine cases, also in Turkey, neoliberal restructuring of the economy could be achieved through a military intervention and the following military regime.

TRANSFORMATION OF TURKEY'S ECONOMY

Until 1980s, Turkey's economy was identified with a type of capital accumulation, which was mainly oriented to the domestic market, named import-substitution industrialization. The instruments of economic policy, such as protectionism, state involvement, regulated markets, etc bolstered this orientation. During 1970s, crises emerged both in the economic and political areas in Turkey. The bourgeoisie was declaring openly their suggested solution. The same solution was also supported by the IMF, and the World Bank, which was the transformation of economy. This transformation would include leaving the import-substitution strategy and adapting an export-oriented model. This would lead Turkish industry to meet its own foreign currency requirement and would solve the problem of limited domestic market. This was not an easy thing to do and required a couple of serious changes (Gülalp, 1993, p.39).

Beginning from 1980s, the new orientation of export-led growth started to be imposed on economy. There has been a widespread restructuring of the economic policy and neoliberalism has become the new order of the period. This new order brought increasing foreign trade, interest rate liberalization, deregulation, privatization, decreases in state

expenditures on social services and a liberal foreign exchange regime instead of the state interventionism of the previous period (Balkan & Savran, 2002, p.xv). In 1980s, ‘free market economy’, ‘opening to outside’ and ‘removing bureaucratic barriers’ became the popular notions in Turkey. It was claimed that market forces have their own adjusting capacities and this replaced the idea of a state providing welfare and justice to the people. Instead of a state considering the distribution of income, a free market that is bringing productivity and efficiency was promoted. A powerful bureaucracy was not seen as the precondition of development; it was an obstacle for the operation of the free market (Öncü & Gökçe, 1991). Fuat Ercan considers this shift in economic policy and argues that this change is caused by the development of domestic capitalist corporations in Turkey to a level that they cannot be satisfied with concentration on the domestic market. Thus, they wanted to be integrated to the increasingly internationalizing circuit of capital on the world scale. He argues that internationalization of Turkish economy contributed to the advancement of big corporations at the expense of instability for the whole economy. There has been an alliance between the domestic capitalist class and the IMF and the World Bank (Ercan, 2002). These two agencies and World Trade Organization have played significant roles in the restructuring of Turkish economy through the 24th January economic measures in 1980.

The economic measures of 24th January was drafted by Turgut Özal ‘in consultation’ with the IMF. This was the third, and according to Yalpat, ‘the heaviest dose of IMF medicine’ in two years (Yalpat, 1984, p.19). The program included a 33 percent devaluation of Turkish currency, elimination of price controls and subsidies to state

economic enterprises, and termination of deficit spending, all of which will be monitored by the IMF. In return, the IMF released an amount of funds that was equivalent to 625 percent of Turkey's IMF quota, and it was the highest increase that was given to a country until that time (ibid., p.19). The IMF and the World Bank supervised the restructuring of economic policy and of the economic agencies that formed the institutional support of the previous economic orientation, thus contributing to the overall instability and fragility of the economy according to Balkan and Savran (Balkan & Savran, 2002, p.xv). These measures started the move towards neoliberalism and the military coup of September 12 in 1980 created the political conditions for the execution of neoliberalism without opposition from working classes and intellectuals (Cizre-Sakallıoğlu, 1991).

THE ROLE OF THE MILITARY COUP

Armed forces have always played a very important role in modern Turkey, since the foundation of the republic in 1923. There have been three military interventions, in 1960, 1971 and 1980, which overthrew democratically elected governments. And also in 1997, there has been an army-led intervention which was called as '28 February process' which brought the downfall of the Islamist-conservative coalition government. Each intervention was defended as necessary to reestablish or protect democracy or the state. In addition to that, military has also been heavily involved in politics (Tachau & Heper, 1983). General Kenan Evren, after the military coup in 1980, in a speech, declared that "... (S)overeignty belongs to the nation... Kick out any government that you do not like... This country is not without a master." (quoted in Kemal, 1984, p.12). This

statement demonstrates a very typical attitude on the side of the generals in Turkey, who think of the army as the real ‘master’ of the country.

According to Ercan, and many others, the military coup of 1980 was a significant factor in the integration of Turkey with world capital. For the internationalization of Turkey’s economy, there was a need for a transformation and this transformation was achieved through three major actors:

- large scale capital which had a hegemonic position (and this hegemony could not be continued in the prevailing conditions)
- state and political structure
- World Bank and IMF, which are the major actors of market oriented restructuring

Capitalist groups spent efforts to legitimize internationalization. State used its monopoly of violence for repressing social opposition to the order. And World Bank and IMF introduced economic policies for founding the new regime of capital accumulation. The interests of these three major actors overlapped to a certain extent. The crisis of capital accumulation was overcome through the military coup and the economic policies implemented on January 24, 1980. The military coup reshaped the state to create a new state that was strong in its dealings with labor and social opposition. The January 24 economic decisions, on the other hand, were helpful in implementing the economic measures appropriate to the new requirements of big capital (Ercan, 2002, p.25) In the environment after the military coup in which social opposition was harshly repressed, the Stand-By Agreement for the period of 1980-1983 was made with IMF and an agreement

on Structural Adjustment Loans for the period 1980-1984 was made with the World Bank.

In the Military Communiqué No 1 broadcast at 6 o'clock in the morning on September 12, 1980, the reasons of the military coup were listed as follows: "...the state and its principal organs had been rendered inoperative, the constitutional structure was full of contradictions, and political parties were intransigent in their attitude and lacked the consensus necessary to deal with the country's problems. As a result of all of these factors, secessionist forces had increased their activities and the life and the property of the citizens were no longer secure." (Ahmad, 1981, p.5). However, I think, at this point the question that Feroz Ahmad asked one year after the coup is really valid: Why did the coup occur at that time? Why did it happen on September 12, but not earlier? Terror and the resulting losses of life were represented as the main reason for the military coup. However, if the death of people was the generals' main concern, then they could save many more people by intervening earlier. In an interview three years after the coup, a unionist who had to escape to Brussels after the coup also repeated Ahmad's point:

"The events between the coup in 1971 and that in 1980 are tragic. It is very difficult for me to talk about this period. We lived in a period where all the democratic rules were corrupted in the name of democracy, a period where all the instruments of propaganda were used to smash an inexperienced opposition. One of the justifications of the generals was to curb terrorism, but they had the means to curb terrorism before taking power. Martial law was in effect since 1978...And virtually, within two weeks of their taking power, the problem of terrorism was solved." (Kara & Kum, 1984, p.23)

After the intervention, the military leaders suspended the constitution; they banned political activities and declared martial law in the country. They also banned strikes, trade union activities, and ordered the workers who were on strike to go back to their jobs.

Army units were placed in key plants so all workers returned to their works without opposition. Trade union and political party offices were closed. Many union leaders were arrested. However, they weren't the only ones who were arrested. By January 1981, four months after the coup, Jim Paul gave an estimate of 15,000 arrests by the time (Paul, 1981, p.3). Censorship was imposed and three newspapers were also closed. Mayors and city council members were relieved from their offices and military officers started to run the main cities. Professional and cultural associations were 'temporarily' disbanded and the parliamentary elections which would take place in the fall of 1981 were cancelled (ibid., p.3).

Military rule not only established an authoritarian regime but also gained the consent of the masses who were disappointed with the political and economic crisis conditions in the pre-coup era. The paragraph below, taken from the interview of the unionist in exile, describes the conditions before the military coup:

“...(A) silent majority stood by, watching the murders, the terrorist attacks, the bombings like a horror movie. The workers were on strike and the parliament at a standstill. People with children at universities, high schools and even primary schools lived with the fear of receiving news of the death of their children...The coup on September 12, 1980 came in such a situation. Because of this, it was silently accepted. The atmosphere was one of defeat, a social defeat.” (Kara & Kum, 1984, p.24)

Both the military regime and also Turgut Özal's Motherland Party government which came to power in 1983 represented the previous order as undesirable, characterized by disorder and economic crisis, which were caused by outdated policies. Yalman argues that while the discourse of founding 'law and order' was impressive in taking the consent of the people for 1982 Constitution on the one hand, the reappearance of many goods in the market which had disappeared during crisis years played a similar role for the

application of liberal economic principles, on the other hand. Turgut Özal was especially successful in convincing people that the only way to escape from economic crisis was to apply new policies regularly for a long time (Yalman, 2002, p.42).

I think at this point it will be useful to say a few words about Turgut Özal, as he was a key figure in the implementation of neoliberal policies. He had worked in the World Bank for more than two years. After coming back to Turkey, he established important links with the private sector. Before the coup, he was the undersecretary to the prime minister and head of the State Planning Organization. He was the main negotiator with international agencies, like the IMF and the World Bank. He was ‘the architect’ of the austerity measures of January 1980, whose main aim was to set up a free market economy in Turkey. The economic measures of Özal cut state subsidies to the smaller sectors of industry. The aim was to support those sectors of the economy which would export and become competitive on the world market. This meant strengthening the economic power of the largest corporations to make them competent enough to participate in the world market. However, in order to realize these aims, it was necessary to provide some political conditions. Before the military coup, Özal was complaining that the necessary political climate was not present for implementing the austerity measures. Just one month before the coup, he said that he can change the economic situation in four years if the economic measures are implemented, which necessitate economic stability and political consensus between the political parties (Ahmad, 1981). However, in the Turkey of the time, it did not seem like a possibility. Therefore, this political consensus could only be reached through extraordinary measures.

“(F)inally, a political impasse was reached in September. At that point, the commanders, who had shown great patience with the politicians, stepped in, convinced that politics was now too important to leave to politicians, and that they alone could implement policies that the politicians could not.” (Ahmad, 1981, p.24)

Two years later, in an interview published in the Turkish weekly *Yanki*, Özal also mentioned the important role that the military intervention had for the implementation of the economic program: “(S)ome positive results of the January 24 measures were seen before September 12. However, I can say that had September 12 not taken place, today’s results would have been impossible to achieve.” (quoted in Yalpat, 1984, p.23)

On September 20, 1980, one week after the coup, *The Economist* published an article about the military coup in Turkey. According to the journal, the coup was ‘regrettable’ for “...the Western alliance (which) draws strength from its democratic institutions and is morally weakened when the democratically elected government of a member country is forcibly overthrown...”, it was still hard “...not to concede that Turkey’s armed forces...acted as they had to when they took over power on September 12th.” (The Economist, September 20, 1980, p.15). Moreover, on the economic side, it was ‘good news’ that Turgut Özal, ‘...the architect...of the austerity package approved by Turkey’s many foreign creditors...’ would still be there as the generals’ key civilian adviser. *The Economist* also referred to General Evren’s statement that the agreement with the International Monetary Fund, the OECD, and private creditors would be honored (ibid.). Therefore, even if it was achieved through a military intervention, it was crucial that Turkey’s loyalty to the interests of creditors and international financial institutions was guaranteed.

On October 18, *The Economist* published another article, which claimed that General Evren and his colleagues ‘have hardly put a foot wrong’ and mentioned an analyst’s statement that ‘only black mark against this regime is that it is bringing back the politicians’ (The Economist, October 18, 1980, p.48). The article referred to generals’ efforts to eradicate terrorism and asserted that the killing of ordinary citizens which was widespread before the coup had stopped due to their endeavors. There was no reference to the civilians who were arrested and tortured by the generals. On December 13, after the interim report of Amnesty International about the death of political detainees in Turkey, *The Economist* published another article mentioning the report, arguing that “...in a country the size of Turkey it is almost impossible for the generals to ensure that their rules are invariably followed in the lower ranks of the army and the police.” (The Economist, December 13, 1980, p.44). There was no reference to the possibility of systematic and intentional harsh treatment of detainees.

Months later, on May 23, 1981, when the number of accusations about human rights violations increased, there was another article in the journal which warned the readers against the dangers of possible alternatives to the military regime, which, according to the journal, would be an authoritarian left-wing government or an Islamicised military dictatorship. Therefore, it was necessary “...to reflect on the problems that face Turks before criticizing General Evren for not taking Turkey back to democracy fast.” (The Economist, May 23, 1981, p.16). Lastly, in its issue of December 12, 1981, the Ankara correspondent of the journal argues that although there are no public opinion polls in Turkey during those days, 90 out of hundred Turkish people would say that they are

satisfied with the generals' rule. There is no clue about how the correspondent reached to this conclusion. S/he confidently asserts that the great majority would say 'no' to civilian politicians; those European politicians who come to the conclusion that most Turks are against the regime only listen to the views of politicians, journalists, and academics, who make up only ten percent of the population (The Economist, December 12, 1981, p.61). These examples demonstrate the confidence and support that *The Economist* and the circles that this journal represents had to the generals after the coup and their ignorance of human rights violations and undemocratic practices. This point is also stated by Yalpat:

“(I)nternational as well as domestic representatives of finance capital were crediting the generals with successes on the economic front. The star performers- the inflation rate, which had dropped from over 100 percent to 40 percent, and the 62 percent increase in export receipts- were hailed as signs of another ‘Brazilian miracle’...Massive human right violations, repression, a precipitous decline in working class living standards and rising levels of unemployment were dismissed as the ‘incidental costs of stabilization’.” (Yalpat, 1984, p.19-20)

In Turkey, the involvement or at least support of the US and the CIA in the military coup of 1980, similar to the cases of Chile and Argentina (see Gareau, 2004), is usually accepted as a fact, although it could never really be proven. Paul evaluates US government's claim that they did not know anything about the coup until minutes before it happened and he argues that it is highly unlikely (Paul, 1981, p.4). He mentions the visit of General Tahsin Sahinkaya, chief of Turkey's air force, to Washington a week before the military coup and his high-level talks with US officials. According to him, even if the US was not directly involved, it had information about the coup in advance as “...the US effectively operates Turkey's military communications system.” (ibid., p.4). Turkish journalist Cuneyt Arcayurek, in his book *Darbeler ve Gizli Servisler* (Coups and the Secret Services), talks about the CIA involvement in the military coup of 1980

(Arcayurek, 1995). Benhabib, also mentions the former military prosecutor Emin Deger's explanations about the collaborations between violent rightist groups, and government contra-guerilla units, and the links of the latter with the CIA (Benhabib, 1979, p.17). In any case, it was clear that the military intervention was considered as a favorable development by the US.

The ideological discourse of the military intervention, which rested on the establishment of law and order in the country, served the internationalization of capital. The military dictatorship formed by the coup in 1980 acted as the 'united front of the bourgeoisie' subjugating the workers' and socialist movement, and taking back the rights won by the working class. The military regime did not tend to make any kind of reformist or radical act; in contrary, it immediately and definitely became engaged with the economic and social program of the bourgeoisie (Boratav, 1991, p.73). Together with the 24 January measures, the function of the new regime was preparing Turkish economy to the new path of capital accumulation, for its integration with the world capitalist system. This new path was decisively neoliberal. According to Savran, the prerequisite for this new orientation was a significant change in the balance of forces between the two major classes of capitalism in favor of the bourgeoisie. This was successfully achieved by the military dictatorship (Savran, 2002, p.15). After the military coup, unionists and leftists were arrested and given long prison sentences. The 1982 Constitution withdrew many of the rights given by 1961 Constitution and the new labor laws of the military regime took away even the most basic rights of workers (Tünay, 1993, p.187). Also, the attitude of the bourgeoisie towards the military regime is noteworthy to consider. All the employers'

organizations and civilian politicians of the bourgeoisie supported the military regime. Turkish corporate executives started a media campaign in the Western press, through their advertisements in Time magazine:

“1980 may well be remembered by historians of modern Turkey as the year the nation came of age. It was the year the Republic began to settle the great internal conflicts of its 57-year history, re-examined its political and economic structures and moved energetically to restore stability and (to) revitalize the economy.” (quoted in Yalpat, 1984, p.16)

Military regime’s priority was demonstrating to both foreign financial circles and the domestic bourgeoisie its loyalty to the structural adjustment program. As Yalman reminds, military junta asked for the support of TÜSİAD, Turkish Association of Industrialists and Businessmen, to transmit this message abroad, while the activities of all other associations were banned (Yalman, 2002, p.39). As this example demonstrates, it is hard to think of the military regime as autonomous from the class forces in Turkey.

The repression of the working class, political opposition and the anti-capitalist struggle made it possible to implement the requirements of export-based growth. Turkey could be involved in the international division of labor through specializing in the labor intensive goods for increasing exports. Producing labor intensive goods led to being at the lower scales of hierarchy in terms of global competition. The efforts to have a share in the global hegemony of capitalism resulted in the application of means which are appropriate for the stage of primitive accumulation according to Ercan. For the capitalist classes to reach the opportunities created by internationalization, state was the main point of reference. The resources for the reinforcement of capital were provided by the state under the guise of free market. Therefore, this took the form of socialization of the costs of the transformation of capital and participation in the process of capital accumulation at the international level. According to Ercan, what has been experienced since 1980s is the

transfer of resources by the state to capitalist groups in the process of internationalization (Ercan, 2002, p.26). State is not there to provide basic services to especially the more disadvantaged citizens, but it is present more than ever to protect and work for the interests of upper classes, international creditors and international financial institutions.

CONCLUSION

In this paper, I tried to give an account of the transformation of the Turkish economy according to neoliberal principles, emphasizing the great role the military intervention of 1980 and the following military regime played in this transformation. Military, certainly, was not the only major actor in this transformation. As I mentioned, Turkish bourgeoisie, international creditors and international financial institutions also played important parts in this process. Moreover, this was not only a narrative of neoliberal transformation of a certain country; it can also be regarded as a narrative about how a Third World country could be involved in the process of economic globalization, giving us clues about the dynamics of the current process of neoliberal globalization in general. We see common interests of local bourgeoisie and international creditors (and financial institutions) as the main reason behind the integration of Turkish economy to the process of globalization. Inclusion of Turkish economy in this process meant the application of neoliberal policies and the neoliberal package could only be applied in the conditions created by the military coup. Through repressing opposition from working classes, leftist groups, and political parties, the military coup built the compliant environment necessary for the implementation of austerity measures, which would have extensive social costs. As Turgut Özal, ‘the architect’ of these economic measures also stated, it would have been impossible to ‘successfully’ implement these policies in the case that a military coup did not happen. In this sense, Turkish case is really useful in demonstrating the relationship between neoliberalism and authoritarianism. Contrary to the assertions of advocates of neoliberalism, in many cases, the application of neoliberal policies could be achieved under authoritarian governments, through repressing the opposition against high social

costs of neoliberal principles especially for the working classes. The resulting undemocratic practices were tolerated and even justified by the international financial circles. Democracy has not been a real concern in the case of improvements in economic indicators. Therefore, it is crucial to be critical of the arguments about the role of neoliberal policies and structural adjustment programs in facilitating democracy. Moreover, while assessing the role of the neoliberal state, it is critical to make a distinction between different functions of the state. If we consider the functions related to social services and welfare provision, we can talk about decreasing state intervention. However, in terms of repressing opposition, helping the capitalist classes to benefit from the process of globalization, and socializing the costs of transformation of the economy, neoliberal state is and should be strong.

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